

September 16, 2004

**BY HAND DELIVERY**

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
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Washington, DC 20423-0001

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212017

Re: STB Finance Docket No. 34551, *Standard Terminal Railroad of New Jersey, Inc. -- Acquisition Exemption -- A Line of Railroad Owned by Joseph C. Horner*

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Office of Proceedings  
SEP 17 2004  
Part of  
Public Record

Dear Secretary Williams:

The undersigned represents Bridgewater Resources, Inc. ("Bridgewater"), which owns and operates a solid waste transfer facility near Bridgewater, New Jersey. Bridgewater has just this week become aware of a Notice of Exemption filed last week by Standard Terminal Railroad of New Jersey, Inc. ("STRNJ"), a non-railroad, in the above-captioned docket. STRNJ represents in that notice that it has purchased an exclusive easement to operate approximately 1.25 miles of rail line from Joseph C. Horner and title to a railroad bridge, which together provide access to Bridgewater's facility. As set forth in the notice (at pages 4-5), this is the same property that Morristown & Erie Railway, Inc., claimed two years ago to have obtained the exclusive contractual right to operate from Mr. Horner. See STB Finance Docket No. 34267, *Morristown & Erie Ry., Inc. -- Operation Exemption -- Somerset Terminal R.R. Corp.* (served Nov. 27, 2002).

In point of fact, neither STRNJ nor Morristown & Erie Railway has operating rights over the property in question. Bridgewater owns the exclusive easement over the property, as well as the track and track structure. Norfolk Southern Railway Company has long used that track, with Bridgewater's permission, to provide direct rail service to Bridgewater's facility. STRNJ itself notes that "the ownership of the property is the subject of dispute before the United States Bankruptcy Court for the District of New Jersey, in Docket No. 00-60057 (WHG), In the Matter of Bridgewater Resources, Inc." (Notice at 4-5). What STRNJ fails to note is that the Bankruptcy Court in 2003 held that STRNJ had no operating rights in the property at issue. STRNJ has appealed that decision, but the law of case today is that it has no operating rights.

STRNJ also fails to point out that it is a non-railroad affiliate of a company that lost to Bridgewater in the bidding for purchase of the solid waste facility that is served by the rail line in question. Although STRNJ represents that it intends to use a subcontractor to offer common

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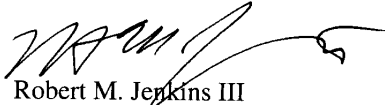
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carrier service on the line, the fact of the matter is that Bridgewater is the only shipper served by the line, and an intermediate operation by another railroad on that short stretch of track would be completely counterproductive and anticompetitive. Bridgewater does not believe that STRNJ has any expectation of providing rail service on the line. STRNJ is simply attempting either to extract ransom from Bridgewater or to block Bridgewater from conducting its existing rail business.

In light of the extremely short timetable for the effectiveness of a notice of exemption and STRNJ's own recognition that its purported transaction cannot be consummated if the court continues to find that it has no ownership rights, Bridgewater is not seeking a stay of STRNJ's notice. However, Bridgewater urges the Board in publishing its own notice of STRNJ's filing to stress, as the Board did in its notice served December 20, 2002, in STB Finance Docket No. 34267, that publication of that notice does not constitute any finding by the Board concerning the ownership of the property involved, nor does it provide any basis for STRNJ to claim that the Board has permitted STRNJ to conduct or subcontract operations in the absence of a decision by the court that STRNJ has the legal right to conduct such operations. Moreover, regardless of the outcome of the court proceedings, Bridgewater reserves the right to file a petition to revoke any exemption that STRNJ may receive, since STRNJ's purported plan of operations is clearly not in the public interest and would violate the pro-competitive precepts of the Rail Transportation Policy, 49 U.S.C. 10101.

Respectfully submitted,



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cc: Jeffrey O. Moreno  
Michael H. Higgins  
*Counsel for Standard Terminal Railroad of New Jersey, Inc*

John V. Edwards  
*Counsel for Norfolk Southern Railway Company*

RMJ/jc